

ORIGINAL

INTERVENTION



0000124876

1 RYLEY CARLOCK & APPLEWHITE

2 One North Central Avenue, Suite 1200

3 Phoenix, Arizona 85004-4417

4 Telephone: 602/258-7701

5 Telecopier: 602/257-9582

RECEIVED

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6 Michele L. Van Quathem – 019185

7 Attorneys for Verrado Community Association, Inc.

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

Arizona Corporation Commission

9 **COMMISSIONERS**

DOCKETED

APR 28 2011

10 **GARY PIERCE, Chairman**

11 **SANDRA D. KENNEDY**

12 **PAUL NEWMAN**

13 **BOB STUMP**

14 **BRENDA BURNS**

DOCKETED BY

15 IN THE MATTER OF THE APPLICATION
16 OF ARIZONA-AMERICAN WATER
17 COMPANY, AN ARIZONA
18 CORPORATION, FOR A
19 DETERMINATION OF THE CURRENT
20 FAIR VALUE OF ITS UTILITY PLANT
21 AND PROPERTY AND FOR INCREASES
22 IN ITS RATES AND CHARGES BASED
23 THEREON FOR UTILITY SERVICE BY
24 ITS ANTHEM/AGUA FRIA
25 WASTEWATER DISTRICT, SUN CITY
26 WASTEWATER DISTRICT, AND SUN
27 CITY WEST WASTEWATER DISTRICT
28

Docket No. W-01303A-09-0343/
SW-01303A-09-0343

**Verrado Community Association,
Inc.'s Motion to Intervene**

19 By this Motion, Verrado Community Association, Inc. ("Verrado") seeks to
20 intervene pursuant to Commission Rule R14-3-105 in the above-referenced case. In
21 support of this Motion, Verrado offers the following:

22 1. On January 6, 2011, the Commission issued Decision No. 72047 in this
23 docket. The Commission's Decision adopted an agreement made at the Open Meeting
24 between Arizona-American Water Company (the "Company"), Anthem Community
25 Council, the Residential Utility Consumer Officer ("RUCO"), and the Staff. As part of
26 the Open Meeting agreement, this docket was left open for the purpose of considering
27 deconsolidation of Arizona-American Water Company's Anthem and Agua Fria
28 wastewater districts.

1 2. The proposed deconsolidation was not part of the Company's original
2 application, and the affected customers have not yet been given adequate notice and an
3 opportunity to be heard regarding the proposal.

4 3. The parties in this case already considered a variety of consolidation
5 proposals. As was noted in Decision No. 72047 (see, for example, pages 67 and 77), a
6 variety of factors and associated evidence should be examined in order to determine
7 whether consolidation of districts is appropriate, including potential rate shock, future
8 rate stability, economies of scale in administrative costs, and the potential for
9 proliferation of rate cases and associated expenses, among other things. Examination of
10 a deconsolidation proposal to isolate the rates for one or more of four separate
11 wastewater service areas presents the same issues and need for evidence regarding the
12 costs and benefits.

13 4. The Company's April 1, 2011 filing proposes a rate structure that would
14 result in a phenomenal 139.7% increase in wastewater rates for customers in the new
15 Aqua Fria Wastewater District, with many paying well over \$100 per month for sewer
16 service. These numbers promise substantial rate shock for the affected customers.

17 5. Verrado is a customer of Arizona-American's Anthem/Agua Fria
18 Wastewater District, and has as members numerous residential and commercial
19 customers who are directly impacted by the deconsolidation proposal.

20 6. Because of the early procedural status of this new phase of the case, and
21 the scope of the proposal, admission of Verrado as an Intervenor and full participant in
22 the proceedings is fair and will not unduly broaden the issues presented.

23 For all the reasons stated above, Verrado requests it be allowed to intervene in
24 this matter and participate fully as a party.

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1 DATED this 28th day of April, 2011.

2 RYLEY CARLOCK & APPLEWHITE

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4 By Michele L. Van Quathem
5 Michele L. Van Quathem
6 Ryley Carlock & Applewhite, P.A.
7 One North Central Avenue, Suite 1200
8 Phoenix, Arizona 85004-4417
9 mvanquathem@rcalaw.com
10 Attorneys for DMB White Tank, LLC

11 ORIGINAL and 13 copies of the foregoing filed
12 this 28th day of April, 2011, with:

13 Docket Control
14 Arizona Corporation Commission
15 1200 W. Washington
16 Phoenix, Arizona 85007

17 COPY of the foregoing mailed this 28th day of April,
18 2011 to:

19 Steve Olea, Director
20 Utilities Division
21 Arizona Corporation Commission
22 1200 W. Washington St.
23 Phoenix, Arizona 85007

Maureen Scott
Robin Mitchell
Legal Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, Arizona 85007

24 Craig A. Marks
25 Craig A. Marks, PLC
26 10645 N. Tatum Blvd., Suite 200-676
27 Phoenix, Arizona 85028
28 Attorney for Arizona-American Water
Co.

Daniel W. Pozefsky, Chief Counsel
Residential Utility Consumer Office
1110 W. Washington St., Suite 220
Phoenix, Arizona 85007

Greg Patterson
Water Utility Association of Arizona
916 W. Adams, Suite 3
Phoenix, Arizona 85007

Joan S. Burke
Law Office of Joan S. Burke
1650 N. First Ave.
Phoenix, Arizona 85003

Judith M. Dworkin
Roxanne S. Gallagher
Sacks Tierney PA
4250 N. Drinkwater Blvd, Fourth Floor
Scottsdale, Arizona 85251-3693

Lawrence V. Robertson, Jr.
P.O. Box 1448
Tubac, Arizona 85646-1448

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23
24
25
26
27
28

Jeff Crockett
Robert Metli
Snell & Wilmer
400 E. Van Buren St.
Phoenix, Arizona 85004-2202

Larry Woods
Property Owners and Residents Assoc.
13815 E. Camino Del Sol
Sun City West, Arizona 85735-4409

Andrew M. Miller, Town Attorney
Town of Paradise Valley
6401 E. Lincoln Dr.
Paradise Valley, Arizona 85253

Sun City Grand Community Assoc.
19726 N. Remington Dr.
Surprise, Arizona 85374

Philip H. Cook
10122 W. Signal Butte Circle
Sun City, Arizona 85373

Bradley J. Herrema
Robert J. Saperstein
Brownstein Hyatt Farber Schreck, LLP
21 E. Carillo St.
Santa Barbara, CA 83101

W.R. Hansen
12302 W. Swallow Drive
Sun City West, Arizona 85375

Larry D. Woods
15141 W. Horseman Lane
Sun City West, Arizona 85375

Marshall Magruder
P.O. Box 1267
Tubac, Arizona 85646

Thomas M. Broderick
Arizona-American Water Company
2355 W. Pinnacle Peak Rd., Suite 300
Phoenix, Arizona 85027

By

